

MINUTES OF THE
JOINT HEALTH AND HUMAN SERVICES APPROPRIATION SUBCOMMITTEE
Monday, January 26, 2004, 2:00 p.m.
Room 131 State Capitol

Members Present: Sen. Sheldon L. Killpack, Committee Co-Chair
Rep. Jack A. Seitz, Committee Co-Chair
Sen. Paula Julander
Rep. J. Stuart Adams
Rep. Calvin G. Bird
Rep. David Litvack
Rep. Rebecca Lockhart
Rep. Roz McGee

Members Absent: Rep. Mike Thompson

Members Excused: Sen. Leonard Blackham

Staff Present: Spencer C. Pratt, Legislative Fiscal Analyst
Thor Nilsen, Legislative Fiscal Analyst
Norda Shepard, Secretary

Public Speakers Present: Dr. Scott Williams, Executive Director, Department of Health
Richard Melton, Deputy Director, Department of Health
Iona M. Thraen, Director, Division of Health Systems Improvement
Dr. Charles Brokopp, Director, Division of Epidemiology and Lab Services
Dr. George Delavan, Director, Division of Community and Family Health Services
Lewis Garrett, Director, Davis County Health Department

A list of visitors and a copy of handouts are filed with the committee minutes.

The meeting was called to order by Co-Chair Killpack at 2:02 p.m.

1. Department of Health - Executive Director's Office

Dr. Scott Williams, Executive Director, Department of Health, indicated he would like to focus on several general areas before reviewing the budget for the Executive Director's Office. He stated the first focus of the Department would be to complete the implementation of existing initiatives, including primary care, children's immunization, bio-terrorism grants and others to make sure they are continued. He stated the Department would also focus on general operations improvement in human resources, information technology, financial reports and legal counsel. He said the third major area would be to review Medicaid programs. He stated he has no immediate concerns with Medicaid but would like to make sure the current methodology is sound and sensible.

Dr. Williams distributed and discussed two handouts, "Utah Department of Health FY 2005 Brief Budget Overview" and a chart showing Medicaid inflation increases from FY 2002 to FY 2004. He highlighted the trends in Department funds during the last ten years. He noted that the Department has received more increases over this period of time than other parts of state government. He said it is important to know that these increases have come in the seven areas listed on the handout, with Medicaid, CHIP, tobacco programs, early intervention and local health departments seeing the largest increases.

Dr. Williams said he felt Department employee should be congratulated for maintaining a good public health program in the state, partly due to their success in securing other sources of revenue, primarily federal grants. He stated an issue of concern is state employee compensation. He gave an example of how compensation issues are impacting the Department. The Department recently tried to hire an auditor which the Department is required to do by many of the federal and state grants. The Department was only able to offer the auditor \$39,000 a year and this auditor was currently working for \$56,000. The position was under filled with someone who didn't meet the qualifications and needs further training to carry out the responsibilities. He said this same issue comes up with other professionals needed in the Department and compensation is becoming a serious issue.

He discussed Medicaid caseload growth, stating that Utah has the 6th highest federal match rate for Medicaid. Utah is the 31st state in spending per enrollee, which means that Utah is able to provide services at a lower cost than most states. He said the Medicaid budget is projected 18 months ahead and is not an exact science. It becomes a challenge because of the economy, enrollment and federal guidelines and match rates that are ever changing. He said that although these programs are not included in the recommended FY 2005 budget, restoration of adult vision would cost about \$500,000 and adult dental would be \$3.6 million.

Dr. Williams discussed the eRep request of \$222,000 in one time FY 0004 supplemental and \$238,000 in one time FY 2005 general funds for development of the Medicaid eligibility module computer system. He drew attention to items in the Outcome Report, included in the Budget Analysis FY 2005 book. He talked about the Utah death rate starting to drop below the national average, issues of obesity and the relationship to diabetes, the improvement in the reduction of SIDs, response time for emergency response, support for local emergency agencies, and communicable diseases.

Dr. Williams introduced Allen Korhonen, who is a new Deputy Director of the Department of Health, who will be managing general operations and health regulation. Dr. Williams stated the general operations of the Executive Director's Office is to provide oversight leadership to the Department. They also currently manage the \$15 million in bio-terrorism grants, oversee public information functions of the Department and employ the legal counsel from the Attorney General's office. The Department also has internal operations which funds the capacity to support human resources, finance and auditing, information technology and facility maintenance. Budgeting for the Center for Health Data is also in this office.

2. Approval of Minutes

Rep. Lockhart made two corrections to the minutes of 1-22-04.

MOTION: Rep. Adams moved to approve the minutes of 1-22-04 as corrected.

The motion passes unanimously.

3. Health Systems Improvement

Iona M. Thraen, Director, Division of Health Systems Improvement, distributed a handout which gave an overview of what the division does. She drew attention to the handout which shows the number of activities that are involved in the division and the staff members responsibility for each. It also shows the funding amounts and a break down between General Funds and federal and other funds. She discussed the highlights shown on the handout for the Bureau of Licensing which conducted 39,000 background criminal screenings in licensing and inspected 89 nursing homes, which resulted in 19 serious findings.

Ms. Thraen said the Division coordinates implementation of the Patient Safety Initiative. She stated 40 sentinel events were reported. She explained sentinel events are events such as incorrect surgery, site surgery, and unexpected death in a facility. The Division is working on a standard to have all surgeries marked in the same way at all facilities. The Division provided a 24% increase in training in EMS resulting in an improved supply of EMT/Paramedics. She stated there is a growing demand for this training. This Division also administers a

\$4 million grant for hospital preparedness related to bio-terrorism activity. She stated the Primary Care and Rural Health Systems office is now under her supervision. There is a Medicare related program for rural hospitals to change to a cost based payment process thus improving their financial status.

4. Workforce Financial Assistance Program

Ms. Thraen stated that the three statutory workforce loan scholarship programs have been consolidated. There were three separate laws, three separate committees and three separate criteria related to these scholarships that are now housed under one set of rules.

5. Epidemiology and Laboratory Services

Richard Melton, Deputy Directory, Department of Health, stated he has responsibility primarily for Epidemiology and Laboratory Services and Community and Family Health Services and also for the bio-terrorism grant coordination. He noted this grant is included in the Executive Director's Office but is administrated across several different programs in the Department.

Charles Brokopp, Director, Division of Epidemiology and Laboratory Services, thanked the committee and the Legislature for their ongoing support for the Division. He also complemented analyst Spencer Pratt for preparing the budget that is in line with the budget submitted to the Governor's office. He distributed a packet containing an outline of the Division's staff and responsibilities and an overview of what the Division does. He stated the Division has 140 hard working, very dedicated employees who are on the front line of public health every day. He said many of the activities in this Division are considered core functions of public health. For example, the staff is involved in disease surveillance, disease control, law enforcement toxicology and other key rolls in protecting the public in this state. The Division also gives support to other agencies and local health departments.

Mr. Brokopp referred to the Budget Analysis book, Tab 10, page 5 which shows the source of funding for the Division, which includes General Fund, federal funds, dedicated credits and some funding from special drug laboratory testing. He explained that in the past the Division has asked for General Fund for laboratory equipment but because of his staff's success in gaining federal funding, many of the equipment needs have been obtained from federal grants and other federal sources. He discussed the various budgets and functions of the bureaus within the division, which are contained in the Budget Analysis book.

6. Community and Family Health Services

Dr. George Delavan, Director, Division of Community and Family Health Services, distributed a packet containing a organizational chart of the Division and a Budget Fact Sheet. He stated he would give a brief overview of the Division, talk about one specific critical funding issue for next year and a follow up on early intervention services. He stated the Division has a broad range of programs covering all ages from birth to the elderly with a variety of different funding sources.

He referred to the Outcome Measures Report in the Budget Analysis to highlight some of the measures that are particularly relevant. On page 61, it shows the percentage of newborn in the state who are being screened for hearing loss. He stated that early detection results in getting the child into Early Intervention services much earlier so that their speech development is much better. He discussed breast cancer screening, Page 62 which provides screening for 8,000 low income women that may not otherwise have access to timely screening. He also briefly discussed prenatal care, immunizations for two year olds, and adult influenza immunizations. He said one significant issue is the issue of overweight and obesity, the graph on Page 73 showing a 50% increase in Utah over the past ten years. He stated this is an area that several of the program are addressing..

Dr. Delavan stated the critical funding issue is addressed on the fact sheet distributed. He says he is concerned that current projections for FY 2005 show that the Tobacco Settlement Restricted account will be underfunded by \$2 million and thus will be unable to fund all the designated programs. The Governor's budget recommends changing

the distribution of tobacco funds such that 70% would go to the restricted account to fully fund the designated programs, which are State Vaccine Funds, Cancer Control, Heart Disease and Stroke Prevention, and Health Promotion. The adverse impact of the lack of funding is found on the fact sheet. He discussed the report on the sliding fee schedule for the Baby Watch Early Intervention Program which was instituted in response to intent language. This is found in the handout along with a copy of the sliding fee schedule.

7. Local Health Departments

Lewis Garrett, Director, Davis County Department of Health and President of the Local Health Officers Association, reported that there are twelve local health departments in the state of Utah, six serve single counties and six serve multiply counties. The departments all operate under the policy guidance of a local board of health. He stated the Legislature in Code has directed the Utah Department of Health to establish Local Health Department Minimum Performance Standards. This rule basically assures that basic public health services are available and competently delivered to every citizen of Utah regardless of where they reside. He said the \$2 million block grant that is recommended for the budget today is intended to help the local health departments fulfill these services.

Mr. Garrett said the Minimum Performance Standards address a wide variety of public health services and programs. They apply standards for educational requirements for local health officers and other key positions, give direction to local boards of health, and address requirements for disease control, prenatal care, food services, inspections, the Indoor Clean Air Act, water resources, and others.

He stated the twelve local health departments appreciate the \$2 million grant but it does not underwrite all the services they perform. He explained that over the years local departments have offset the increasing costs with increased fees and increased local taxes. He said the block grant has been relatively flat and they are not asking for an increase this year. However, he stated that in the future to look for a request for an increased level of funding. He thanked the committee for its support and asked for continued funding at the present level.

MOTION: Rep. Adams moved to adjourn. The motion passed unanimously.

Co-Chair Killpack adjourned the meeting at 3:59 p.m.

Minutes reported by Norda Shepard, Secretary.

Sen. Sheldon L. Killpack
Committee Co-Chair

Rep. Jack A. Seitz
Committee Co-Chair